

Charles R. Jacob III
Dana B. Zimmerman
MILLER & WRUBEL P.C.
250 Park Avenue
New York, New York 10177
(212) 336-3500

Attorneys for Plaintiff
Terwin Advisors LLC

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

TERWIN ADVISORS LLC,

Plaintiff,

-against-

INVESTAID CORPORATION,

Defendant.

Case No.: 07 Civ. 5706 (VM)

ECF Case

**APPLICATION FOR
DEFAULT JUDGMENT**

Plaintiff Terwin Advisors LLC (“Terwin”) hereby applies for a default judgment against Investaid Corporation (“Investaid”), upon the accompanying affidavits of Gerald Casey and Dana B. Zimmerman and the exhibits attached thereto.

Terwin commenced this action by filing the Summons and Complaint on June 14, 2007. Terwin served a copy of the Summons and Complaint on defendant on June 19, 2007, by personal service on Robert Rubin, Owner of Investaid. Terwin filed proof of service on June 25, 2007. Defendant’s time to file an answer or otherwise move with respect to the Complaint expired on July 9, 2007.

Defendant has not appeared in this action, filed an answer, or otherwise moved with respect to the Complaint. Default was entered in the civil docket in the

Office of the Clerk of this Court on July 19, 2007. No actions have been taken by defendant since default was entered.

Wherefore, plaintiff applies for a judgment against defendant as to liability for defendant's breach of contract and damages in the amount of \$714,134.00, plus interest at the statutory rate of 9% from July 20, 2007 to date, plus attorneys' fees, costs, and expenses, as provided in the parties' contract, in the amount of \$733,603.63.

Dated: New York, New York
August 14, 2007

MILLER & WRUBEL P.C.

By: s/
Charles R. Jacob III
Dana B. Zimmerman
250 Park Avenue
New York, New York 10177
(212) 336-3500

Attorneys for Plaintiff
Terwin Advisors LLC

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

TERWIN ADVISORS LLC,

Plaintiff,

-against-

INVESTAID CORPORATION,

Defendant.

Case No.: 07 Civ. 5706 (VM)

ECF Case

**AFFIDAVIT OF GERALD
CASEY IN SUPPORT OF
APPLICATION FOR
DEFAULT JUDGMENT**

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

GERALD CASEY, being duly sworn, states as follows:

1. I am a principal of plaintiff Terwin Advisors LLC ("Terwin") responsible for Terwin's Asset Performance Management Group. I am personally familiar with the facts set forth herein.

2. I submit this affidavit in support of Terwin's application for a default judgment against defendant Investaid Corporation ("Investaid").

3. As set forth in Terwin's Complaint, a copy of which is attached to the accompanying affidavit of Dana B. Zimmerman ("Zimmerman Aff.") as Exhibit B, Investaid sold Terwin a number of mortgage loans pursuant to a Seller's Purchase, Warranties and Interim Servicing Agreement (the "Purchase Agreement").

4. In the Purchase Agreement, Terwin and Investaid contracted for Investaid to sell to Terwin certain Mortgage Loans (as defined in the Purchase Agreement), subject to the terms and conditions in the Purchase Agreement, and

Investaid agreed to repurchase those Mortgage Loans under the circumstance referred to as "Early Payment Default" or "EPD," described below.

5. Pursuant to § 3.05 of the Purchase Agreement, entitled "Repurchase of Mortgage Loans With Early Payment Defaults," Investaid agreed to repurchase from Terwin Mortgage Loans ("Early Payment Default Loans" or "EPD Loans") as to which there occurred payment defaults within three months after the Closing Date (as defined in the Purchase Agreement) for such Mortgage Loans. Section 3.05 of the Purchase Agreement provides as follows:

If (a) a Mortgagor is thirty (30) days or more delinquent with respect to any of the first three (3) Monthly Payments due on the related Mortgage Loan immediately following the applicable Closing Date or (b) a Mortgage Loan is in bankruptcy or litigation within the first three (3) months immediately following the applicable Closing Date, the Seller [Investaid], at the Purchaser's option, shall promptly repurchase such Mortgage Loan from the Purchaser within five (5) Business Days of receipt of written notice from the Purchaser, in accordance with the procedures set forth in Section 3.03 hereof, however, any such repurchase shall be made at the Repurchase Price.

6. Thus, the Purchase Agreement gave Terwin the right to cause Investaid to repurchase, and imposed on Investaid the obligation to repurchase, at the Repurchase Price (as defined), any Early Payment Default Loans as to which Terwin requested repurchase.

7. Certain of the Mortgage Loans that Terwin purchased from Investaid pursuant to the Purchase Agreement were Early Payment Default Loans, that is, Mortgage Loans as to which (a) a Mortgagor (as defined) was thirty (30) days or more delinquent with respect to any of the first three (3) Monthly Payments due on the related

Mortgage Loan immediately following the applicable Closing Date or (b) the Mortgage Loan was in bankruptcy or litigation within the first three (3) months immediately following the applicable Closing Date.

8. Commencing in or about October 2006, and continuing through May, 2007, Terwin gave Investaid written notice of such Early Payment Default Loans and exercised Terwin's option to require Investaid to repurchase such Early Payment Default Loans, all in accordance with the terms of the Purchase Agreement.

9. This action concerns Early Payment Default Loans that Investaid was obligated to repurchase from Terwin. Investaid has failed to repurchase the Early Payment Default Loans or pay Terwin any part of the Repurchase Price.

10. Since Investaid has not appeared in this action, Terwin cannot reconvey the Early Payment Default Loans to Investaid in exchange for the Repurchase Price. Terwin was forced to liquidate Mortgage Loans by foreclosures or other means, and incurred damages as a result.

11. "Repurchase Price" is defined in Section 1.01 of the Purchase Agreement as follows:

With respect to any Mortgage Loan, a price equal to (i) the greater of (A) the product of the percentage of par stated in the related Purchase Price and Terms Letter and the outstanding principal balance of the Mortgage Loan and (B) the outstanding principal balance of the Mortgage Loan, plus (ii) interest on such outstanding principal balance at the related Mortgage Interest Rate from the date through which interest was last distributed to the Purchaser through the day prior to the date of repurchase, plus (iii) any costs and damages actually incurred and paid by or on behalf of the Purchaser in connection with any breach of a representation or warranty hereunder (including, without limitation, those set forth in Section 3.02(i) and 3.02(jjj) relating to a violation of a predatory or abusive lending law

applicable to such Mortgage Loan, plus (iv) third party expenses incurred in connection with the transfer of the Mortgage Loan being repurchased; less amounts received or advanced in respect of such repurchased Mortgage Loan which are being held in the Custodial Account for distribution in the month of repurchase, plus (v) any unreimbursed Servicing Advances or Servicing Fee, plus (vi) all fees and expenses of Purchaser's outside counsel and court costs incurred in connection with the enforcement of the Seller's repurchase obligation.

12. Terwin followed this formula as to each of the Early Payment Default Loans to arrive at the Repurchase Price. From the Repurchase Price, Terwin has subtracted the proceeds of any realization, by foreclosure or otherwise for each such Early Payment Default Loan. In some cases, the proceeds were zero, because the loans were second lien loans and the value of the underlying property was less than the value of the first lien loan. In other cases, Terwin was able to foreclose on the underlying property and realize proceeds.

13. Using the aforementioned methodology as to each Early Payment Default Loan, Terwin arrived at the amount of its realized losses. It is those realized losses as to which Terwin requests an award of damages. Attached hereto as Exhibit A is a spreadsheet setting forth Terwin's realized losses as to each Early Payment Default Loan, for a total liquidated amount of \$714,134.00.

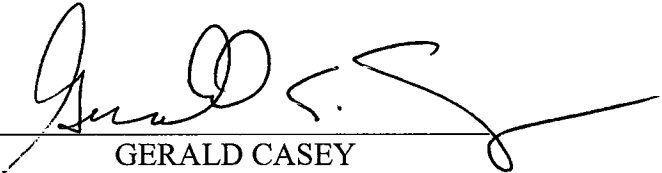
14. The computation of realized losses set forth on Exhibit A, by the nature of how it was made, includes unpaid interest through the date of computation, which was July 19, 2007. Accordingly, from July 20, 2007 to date, Terwin seeks interest at the statutory rate of 9%.

15. The Purchase Agreement also obligates Investaid to indemnify Terwin for its attorneys' fees, costs, and expenses incurred in bringing this action.

Investaid has failed to indemnify Terwin for its attorneys' fees, costs, and expenses.

Detailed documentation as to the legal fees and related costs Terwin has incurred in this action is attached to the Zimmerman Aff. as Exhibit B.

16. Terwin respectfully requests that the Court grant a default judgment against Investaid as to liability and damages.


GERALD CASEY

Sworn to before me this
8 th day of August 2007


NOTARY PUBLIC

RICHARD W CHUN
Notary Public State of New York
No. 02CH6116187
Qualified in Nassau County
Commission Expires September 20, 2008

EXHIBIT A

twg#	svc#	customer name	last name	state	lien	realized loss
302728231	1002225198	Investaid Corporation	PORTILLO	NV	2	(57,637)
302728299	1002224801	Investaid Corporation	BUITRON	AZ	2	(52,279)
302728302	1002224830	Investaid Corporation	WARE	FL	2	(81,636)
302728180	1002224128	Investaid Corporation	MCGRAIL	MO	2	(28,864)
302728216	1002224432	Investaid Corporation	DRAKE SR	KY	2	(21,663)
302728225	1002225130	Investaid Corporation	KUB	MI	1	(49,678)
302728240	1002225282	Investaid Corporation	ALLARD	MI	2	(21,310)
302728254	1002227044	Investaid Corporation	WYLIE	MI	2	(14,246)
302728255	1002227057	Investaid Corporation	KLINE	OH	2	(22,235)
302728273	1002224555	Investaid Corporation	GRIMES	KY	2	(26,976)
302728292	1002224733	Investaid Corporation	FUGATE	OH	2	(27,274)
302728305	1002224869	Investaid Corporation	MCNULTY	IN	2	(29,822)
302728311	1002224924	Investaid Corporation	PIGOTT	MI	2	(22,457)
302728320	1002225017	Investaid Corporation	KUB	MI	2	(27,852)
302931827	1002342068	Investaid Corporation	HOPSON	MO	2	(12,488)
302931836	1002342084	Investaid Corporation	HUTCHINSON	FL	2	(17,501)
302931843	1002342123	Investaid Corporation	FERREIRA	MI	2	(11,807)
302931846	1002342136	Investaid Corporation	ONESLAGER	OH	2	(21,116)
302931847	1002341632	Investaid Corporation	MOORE	IN	2	(12,358)
302931853	1002341674	Investaid Corporation	WILLIAMS	MI	2	(12,258)
302931871	1002341771	Investaid Corporation	BROOKS	MI	2	(26,392)
302931875	1002341807	Investaid Corporation	WILLIAMS	OH	2	(10,234)
302931881	1002341849	Investaid Corporation	NOLEN	KY	2	(19,229)
302931893	1002341959	Investaid Corporation	SIMMONS	IN	2	(22,770)
302931898	1002341975	Investaid Corporation	DRAKE	MI	2	(21,328)
302931902	1002342013	Investaid Corporation	BOYLE	OH	2	(15,110)
302931905	1002342042	Investaid Corporation	BRADEN	FL	2	(27,614)

27

(714,134)

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

TERWIN ADVISORS LLC,

Plaintiff,

-against-

INVESTAID CORPORATION,

Defendant.

Case No.: 07 Civ. 5706 (VM)

ECF Case

**AFFIDAVIT OF DANA B.
ZIMMERMAN IN SUPPORT
OF APPLICATION FOR
DEFAULT JUDGMENT**

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

Dana B. Zimmerman, being duly sworn, states as follows:

1. I am a member of the Bar of this Court and am associated with Miller & Wrubel P.C., counsel to plaintiff Terwin Advisors LLC ("Terwin"). I am familiar with the facts and circumstances in this action.

2. I submit this affidavit in support of Terwin's application for the entry of a default judgment as to liability and damages against defendant Investaid Corporation ("Investaid"). A proposed form of default judgment is attached as Exhibit A hereto.

Jurisdiction and Venue

3. This Court has subject matter jurisdiction of this action pursuant to 28 U.S.C. § 1332(a), as the matter in controversy exceeds the sum of \$75,000, exclusive of interest and costs, and is between citizens of different states. See Complaint ¶ 4, attached as Exhibit B hereto.

4. Venue in this District is proper pursuant to 28 U.S.C. § 1391 because Investaid consented to venue in this Court, a substantial part of the events and omissions giving rise to the claim occurred in this District, a substantial part of the property that is the subject of this action is situated in this District and Investaid is subject to personal jurisdiction in this District. Complaint ¶ 5.

5. Investaid is subject to personal jurisdiction in this Court because it consented to jurisdiction in the State and County of New York, transacted business in the State of New York and contracted to supply goods and services in the State of New York. Complaint ¶¶ 6, 9.

Nature of the Claim

6. As set forth in the accompany affidavit of Gerald Casey (“Casey Aff.”), Investaid sold Terwin a number of mortgage loans pursuant to a Seller’s Purchase, Warranties and Interim Servicing Agreement (the “Purchase Agreement”).

7. In the parties’ Purchase Agreement, Terwin and Investaid contracted for Investaid to sell to Terwin certain Mortgage Loans (as defined in the Purchase Agreement), subject to the terms and conditions in the Purchase Agreement, and Investaid agreed to repurchase those Mortgage Loans under the circumstance referred to as “Early Payment Default” or “EPD”.

8. As set forth in the Casey Aff., Investaid did not repurchase the Early Payment Default Loans as requested by Terwin. Therefore, Investaid is in breach of its obligations under the Purchase Agreement.

Investaid’s Default

9. Terwin commenced this action by filing the Summons and Complaint on June 14, 2007. Terwin served a copy of the Summons and Complaint on

defendant on June 19, 2007, by personal service on Robert Rubin, Owner of Investaid.

Terwin filed proof of service on June 25, 2007.

10. Investaid's time to answer or otherwise move in response to the Complaint expired on July 9, 2007.

11. By Order dated July 17, 2007, the Court directed Terwin "to inform the Court by July 25, 2007 of the status of this matter and plaintiff's contemplation with respect to further proceedings in this case."

12. By letter dated July 20, 2007, Terwin informed the Court that Investaid had not answered the Complaint or otherwise appeared and that Terwin would seek a default judgment.

13. Terwin served a copy of its July 20, 2007 letter on Investaid by facsimile and first class mail on July 20, 2007.

14. The Orders and Judgments Clerk entered Investaid's default on July 19, 2007. The original Certificate of Default is attached as Exhibit C hereto.

**Terwin Requests a Default
Judgment as to Liability and Damages**

15. Terwin seeks damages for Investaid's breach of its contractual obligation to repurchase the Early Payment Default Loans, and indemnification for attorneys' fees, costs, and expenses, all as provided in the parties' contract as described in the Complaint.

16. Investaid has not paid Terwin any part of the repurchase price of the Early Payment Default Loans and has not indemnified Terwin in any amount for its attorneys' fees, costs, and expenses.

17. As set forth in the Casey Aff., given Investaid's failure to repurchase the Early Payment Default Loans as agreed, Terwin has realized losses in the liquidated amount of \$714,134.00 (an amount less than the principal amount demanded in the Complaint), plus interest at the statutory rate of 9% from July 20, 2007 to date, which is justly due and owing, and no part of which has been paid.

18. Pursuant to § 8.01 of the Purchase Agreement, Investaid expressly and unambiguously agreed to indemnify Terwin and hold Terwin harmless "against any and all . . . losses, damages, . . . legal fees and related costs . . . and any other costs, fees and expenses that the Purchaser [Terwin] may sustain in any way related to (i) the failure of the Seller [Investaid] to observe and perform its duties, obligations, and covenants in strict compliance with the terms of this Agreement" Complaint ¶ 26.

19. Pursuant to § 8.01 of the Purchase Agreement, Investaid is liable to Terwin for all of Terwin's legal fees and related costs, and all other costs, fees and expenses that Terwin has incurred in connection with Investaid's failure to observe and perform its obligation to repurchase Early Payment Default Loans pursuant to the Purchase Agreement, including but not limited to all attorneys' fees, court costs and other expenses incurred in this action, plus interest at the applicable statutory rate in New York of 9% per annum from the date each such fee or cost was incurred to the date of judgment in this action. Complaint ¶ 28.

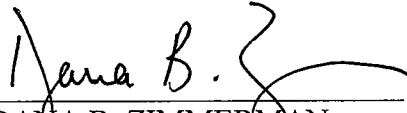
20. To date, Terwin has incurred legal fees and related costs in this action in the amount of \$14,891.29. Attached hereto as Exhibit D is a copy of Miller & Wrubel P.C.'s invoices and statements relating to the legal fees and related costs sought to be taxed in this action.

21. Attached hereto as Exhibit E is Terwin's Statement of Damages.

Notice to Investaid

22. Pursuant to the Court's Individual Practices, notice of Terwin's Application for Default Judgment, including the papers upon which it is based, has been provided to Investaid by first-class mail.

WHEREFORE, plaintiff respectfully requests the entry of a default judgment against Investaid as to liability and damages.



DANA B. ZIMMERMAN

Sworn to before me this
14th day of August 2007



NOTARY PUBLIC

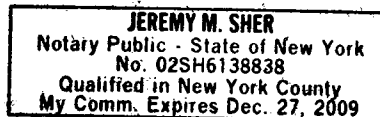


EXHIBIT A

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

TERWIN ADVISORS LLC,

Plaintiff,

-against-

INVESTAID CORPORATION,

Defendant.

Case No.: 07 Civ. 5706 (VM)

ECF Case

DEFAULT JUDGMENT

This action having been commenced on June 14, 2007 by the filing of the Summons and Complaint, and a copy of the Summons and Complaint having been personally served on the defendant, Investaid Corporation ("Investaid"), on June 19, 2007, by personal service on Robert Rubin, Owner of Investaid, and a proof of service having been filed on June 25, 2007, and the defendant not having answered the Complaint, and the time for answering the Complaint having expired, it is

ORDERED, ADJUDGED AND DECREED: That the plaintiff have judgment against defendant, in plaintiff's favor, in the amount of \$714,134.00 with interest at 9% from July 20, 2007 to date, amounting to \$4,578.34, plus attorneys' fees, costs and disbursements of this action in the amount of \$14,891.29, amounting in all to \$733,603.63.

Dated: New York, New York
August __, 2007

Hon. Victor Marrero, U.S.D.J.

EXHIBIT B

Charles R. Jacob III (CJ-4143)
MILLER & WRUBEL P.C.
250 Park Avenue
New York, New York 10177
(212) 336-3500

07 CV 5706

JUDGE MARRERO

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

TERWIN ADVISORS LLC,

Plaintiff,

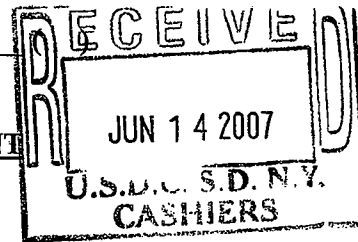
-against-

INVESTAID CORPORATION,

Defendant.

07 Civ. _____

COMPLAINT



Plaintiff Terwin Advisors LLC ("Terwin"), by its attorneys Miller & Wrubel P.C., as and for its Complaint against defendant alleges as follows:

**ALLEGATIONS COMMON TO
ALL CAUSES OF ACTION**

The Parties

1. Terwin is a limited liability company organized under the laws of the State of Delaware with its principal place of business at 45 Rockefeller Plaza, Suite 420, New York, New York 10111. Terwin is engaged in the business of, inter alia, purchasing, trading and securitizing mortgages.
2. None of Terwin's members is a citizen of the State of Michigan.
3. On information and belief, defendant Investaid Corporation ("Investaid") is a corporation organized under the laws of the State of Michigan with its principal place of business at 24315 Northwestern Highway, Suite 100, Southfield,

Michigan 48075. On further information and belief, Investaid is engaged in the business of, inter alia, originating and selling mortgages.

Jurisdiction and Venue

4. This Court has subject matter jurisdiction of this action pursuant to 28 U.S.C. § 1332(a), as the matter in controversy exceeds the sum of \$75,000, exclusive of interest and costs, and is between citizens of different states.

5. Venue in this District is proper pursuant to 28 U.S.C. § 1391 because Investaid consented to venue in this Court, a substantial part of the events and omissions giving rise to the claim occurred in this District, a substantial part of the property that is the subject of this action is situated in this District and Investaid is subject to personal jurisdiction in this District.

6. Investaid is subject to personal jurisdiction in this Court because, as more fully set forth below, it consented to jurisdiction in the State and County of New York, transacted business in the State of New York and contracted to supply goods and services in the State of New York.

**Investaid's Breach of
the Purchase Agreement**

A. The Purchase Agreement

7. On or about May 4, 2006, Terwin and Investaid entered into a Seller's Purchase, Warranties and Interim Servicing Agreement (the "Purchase Agreement").

8. In the Purchase Agreement, Terwin and Investaid contracted for Investaid to sell to Terwin certain Mortgage Loans (as defined in the Purchase Agreement), subject to the terms and conditions in the Purchase Agreement, and

Investaid agreed to repurchase those Mortgage Loans under the circumstance referred to as “Early Payment Default” or “EPD”.

B. Consent to Jurisdiction

9. In the Purchase Agreement, Investaid expressly consented and submitted to the “exclusive general jurisdiction of the courts of the State of New York sitting in the Borough of Manhattan,” and waived any objection that this Court is an inconvenient forum. Moreover, the Purchase Agreement (a) was negotiated in material part in the State of New York, (b) required performance by Investaid in the form of the delivery of documents and funds, and the benefits of mortgage servicing, to Terwin at its offices in the State of New York, and (c) chose New York law as governing law for the Purchase Agreement.

C. Investaid’s Default in Its Obligation to Repurchase Early Payment Default Loans

10. Pursuant to § 3.05 of the Purchase Agreement, entitled “Repurchase of Mortgage Loans With Early Payment Defaults,” Investaid agreed to repurchase from Terwin certain Mortgage Loans (“Early Payment Default Loans” or “EPD Loans”) as to which there occurred payment defaults within three months after the Closing Date (as defined in the Purchase Agreement) for such Mortgage Loans. Section 3.05 of the Purchase Agreement provides as follows:

If (a) a Mortgagor is thirty (30) days or more delinquent with respect to any of the first three (3) Monthly Payments due on the related Mortgage Loan immediately following the applicable Closing Date or (b) a Mortgage Loan is in bankruptcy or litigation within the first three (3) months immediately following the applicable Closing Date, the Seller [Investaid], at the Purchaser’s option, shall promptly repurchase such Mortgage Loan from the Purchaser within five (5) Business Days of

receipt of written notice from the Purchaser, in accordance with the procedures set forth in Section 3.03 hereof, however, any such repurchase shall be made at the Repurchase Price.

11. Thus, the Purchase Agreement expressly and unambiguously gave Terwin the right to cause Investaid to repurchase, and imposed on Investaid the obligation to repurchase, at the Repurchase Price, any Early Payment Default Loans as to which Terwin requested repurchase.

12. Certain of the Mortgage Loans that Terwin purchased from Investaid pursuant to the Purchase Agreement, which Mortgage Loans are identified on Exhibit A hereto, were Early Payment Default Loans, that is, Mortgage Loans as to which (a) a Mortgagor (as defined in the Purchase Agreement) was thirty (30) days or more delinquent with respect to any of the first three (3) Monthly Payments due on the related Mortgage Loan immediately following the applicable Closing Date or (b) the Mortgage Loan was in bankruptcy or litigation within the first three (3) months immediately following the applicable Closing Date.

13. The Mortgage Loans listed on Exhibit A hereto are all Early Payment Default Loans as defined in the Purchase Agreement.

14. Commencing in or about October 2006, and continuing through May 21, 2007, Terwin gave Investaid written notice of such Early Payment Default Loans and exercised Terwin's option to require Investaid to repurchase such Early Payment Default Loans, all in accordance with the terms of the Purchase Agreement.

15. Terwin stood ready, willing and able, at all relevant times, to reconvey the Mortgage Loans on Exhibit A to Investaid.

16. Investaid did not repurchase the Early Payment Default Loans listed on Exhibit A hereto as requested by Terwin. Therefore, Investaid is in breach of its obligations under the Purchase Agreement.

AS AND FOR A FIRST CAUSE OF ACTION
(Breach of Contract – Damages for Failure
to Repurchase Early Payment Default Loans)

17. Terwin repeats and realleges the allegations of paragraphs 1 - 16, above, as if fully set forth herein.

18. The Mortgage Loans that are the subject of this action are set forth on Exhibit A.

19. Investaid's failure to repurchase the Early Payment Default Loans listed on Exhibit A hereto, was and is a breach of the Purchase Agreement.

20. Terwin is entitled, by means of an award of damages, to be put in the same position economically that it would have been in had Investaid performed its repurchase obligations under the Purchase Agreement.

21. The aggregate realized losses suffered by Terwin for the Early Payment Default Loans, with interest through May 31, 2007, was not less than \$574,861, no part of which has been paid despite demand therefor.

22. The aggregate Repurchase Price due and owing to Terwin for the remaining Early Payment Default Loans as to which no loss has been realized, as of May 31, 2007, was \$2,884,907, no part of which has been paid despite demand therefor.

23. Absent Investaid's repurchase of the Early Payment Default Loans from Terwin, Terwin's damages will continually increase due to the accrual of interest on outstanding Early Payment Default Loan balances at the related Mortgage Interest Rate

(as defined in the Purchase Agreement), and the expenses of owning and servicing Mortgage Loans.

24. By reason of this breach of contract, Investaid is liable to Terwin in an amount to be determined but not less than \$3,459,768, plus interest at the statutory rate of 9% from the date(s) of breach until the date of judgment. Terwin hereby tenders to Investaid the Mortgage Loans as to which a loss has not yet been realized, as set forth on Exhibit A, in return for payment of the Full Repurchase Price. Alternatively, Terwin demands judgment for its damages suffered with respect to each and every Mortgage Loan on Exhibit A not repurchased by Investaid.

AS AND FOR A SECOND CAUSE OF ACTION
(Indemnification – Legal Fees and Related Costs)

25. Terwin repeats and realleges the allegations of paragraphs 1 – 24, above, as if fully set forth herein.

26. Pursuant to § 8.01 of the Purchase Agreement, Investaid expressly and unambiguously agreed to indemnify Terwin and hold Terwin harmless “against any and all . . . losses, damages, . . . legal fees and related costs . . . and any other costs, fees and expenses that the Purchaser [Terwin] may sustain in any way related to (i) the failure of the Seller [Investaid] to observe and perform its duties, obligations, and covenants in strict compliance with the terms of this Agreement”

27. Pursuant to § 8.01 of the Purchase Agreement, Investaid’s indemnity obligation expressly includes the legal fees and court costs, and all other costs, fees and expenses, that Terwin has incurred, is incurring and will incur in connection with Investaid’s failure to observe and perform its obligation to repurchase Early

Payment Default Loans as set forth above, including but not limited to all attorneys' fees, court costs and other expenses incurred in this action.

28. Pursuant to § 8.01 of the Purchase Agreement, Investaid is liable to Terwin for all of Terwin's legal fees and related costs, and all other costs, fees and expenses that Terwin has incurred, is incurring and will incur in connection with Investaid's failure to observe and perform its obligation to repurchase Early Payment Default Loans pursuant to the Purchase Agreement, including but not limited to all attorneys' fees, court costs and other expenses incurred in this action, plus interest at the applicable statutory rate in New York of 9% per annum from the date each such damage or cost was incurred to the date of judgment in this action.

WHEREFORE, Terwin demands judgment in its favor and against Investaid as follows:

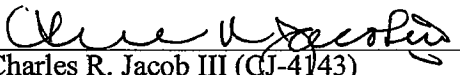
- (i) on its First Cause of Action, awarding Terwin as against Investaid an amount to be determined but not less than \$3,459,768, plus interest at the statutory rate of 9% from the date(s) of breach until the date of judgment, in return for which payment Terwin tenders the Mortgage Loans on Exhibit A as to which no loss has been realized, or, alternatively, Terwin's damages incurred as to each such Mortgage Loan as a result of Investaid's failure to repurchase it;
- (ii) on its Second Cause of Action, awarding Terwin all Terwin's legal fees and related costs, and all other costs, fees and expenses that Terwin has incurred, is incurring and will incur in connection with

Investaid's failure to observe and perform its obligation to repurchase Mortgage Loans pursuant to the Purchase Agreement, including but not limited to all attorneys' fees, court costs and other expenses incurred in this action, plus interest at the applicable statutory rate in New York of 9% per annum from the date each such damage or cost was incurred to the date of judgment in this action; and

- (iii) granting such other or further relief as the Court may deem just and proper in the circumstances.

Dated: June 14, 2007

MILLER & WRUBEL P.C.

By: 
Charles R. Jacob III (CJ-4143)
250 Park Avenue
New York, New York 10177
(212) 336-3500

Attorneys for Plaintiff
Terwin Advisors LLC

Exhibit A

Exhibit A				
5/31/2007				
TWG#	last name	lien	realized loss	repurchase total
302728240	ALLARD	2	21,310.00	cannot repurchase, realized loss
302728254	WYLIE	2	14,246.00	cannot repurchase, realized loss
302728255	KLINE	2	22,235.00	cannot repurchase, realized loss
302728273	GRIMES	2	26,976.00	cannot repurchase, realized loss
302728292	FUGATE	2	27,274.00	cannot repurchase, realized loss
302728305	MCNULTY	2	29,822.00	cannot repurchase, realized loss
302728311	PIGOTT	2	22,457.00	cannot repurchase, realized loss
302728320	KUB	2	27,852.00	cannot repurchase, realized loss
302931827	HOPSON	2	12,488.00	cannot repurchase, realized loss
302931836	HUTCHINSON	2	17,501.00	cannot repurchase, realized loss
302931843	FERREIRA	2	11,807.00	cannot repurchase, realized loss
302931846	ONESLAGER	2	21,116.00	cannot repurchase, realized loss
302931847	MOORE	2	12,358.00	cannot repurchase, realized loss
302931853	WILLIAMS	2	12,258.00	cannot repurchase, realized loss
302931871	BROOKS	2	26,392.00	cannot repurchase, realized loss
302931875	WILLIAMS	2	10,234.00	cannot repurchase, realized loss
302931881	NOLEN	2	19,229.00	cannot repurchase, realized loss
302931893	SIMMONS	2	22,770.00	cannot repurchase, realized loss
302931898	DRAKE	2	21,328.00	cannot repurchase, realized loss
302931902	BOYLE	2	15,110.00	cannot repurchase, realized loss
302931905	BRADEN	2	27,614.00	cannot repurchase, realized loss
302728180	MCGRAIL	2	28,864.00	cannot repurchase, realized loss
302728216	DRAKE SR	2	21,663.00	cannot repurchase, realized loss
302728225	KUB	1	49,678.00	cannot repurchase, realized loss
302728299	BUITRON	2	52,279.00	cannot repurchase, realized loss
302931889	ROBBINS	2		\$ 26,364
302931855	BECK	2		\$ 33,171
302931869	GARCIA	2		\$ 31,319
302728116	ZAWINSKY	1		\$ 218,723
302728245	MARTIN	2		\$ 15,342
302728256	YANISH	1		\$ 202,892
302728259	INMAN	1		\$ 107,547
302728262	WILSON	2		\$ 22,039
302728269	TRAPISS	2		\$ 32,698
302728278	YANISH	2		\$ 52,362
302728302	WARE	2		\$ 87,106
302728304	HUDSON	2		\$ 24,011
302728309	INMAN	2		\$ 27,612
302728313	DOMINGUEZ	2		\$ 50,142
302728316	FIELDS	2		\$ 15,864
302728323	WASHINGTON	2		\$ 11,710
302728138	WHITMON	1		\$ 104,175
302728139	HILDRETH	1		\$ 122,183
302728151	SPENCER	2		\$ 17,120
302728153	WILSON	1		\$ 89,352
302728160	HAIRSTON	1		\$ 103,794
302728170	BONE	2		\$ 23,121
302728175	STINSON	1		\$ 66,627
302728181	WARE	1		\$ 340,698
302728195	PIGOTT	1		\$ 108,362
302728209	HUDSON	1		\$ 94,621
302728212	MCNULTY	1		\$ 135,089
302728218	COLLINS	1		\$ 114,318
302728222	BUITRON	1		\$ 218,974
302728231	PORTILLO	2		\$ 62,054
302728252	FIELDS	1		\$ 62,658
302931903	STROUP	2		\$ 31,261

302728148	PARKS	2		\$	29,183
302728211	FUGATE	1		\$	159,522
302728264	HURLEY	2		\$	42,895

EXHIBIT C

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

TERWIN ADVISORS LLC,

Plaintiff,

-against-

INVESTAID CORPORATION,

Defendant.

Case No.: 07 Civ. 5706 (VM)

ECF Case

CLERK'S CERTIFICATE

I, J. MICHAEL MCMAHON, Clerk of the United States District Court for the Southern District of New York, do hereby certify that this action commenced on June 14, 2007 with the filing of a summons and complaint, a copy of the summons and complaint was served on defendant on June 19, 2007 by personal service upon Robert Rubin, Owner of Investaid Corporation, and proof of such service thereof was filed on June 25, 2007.

I further certify that the docket entries indicate that the defendant has not filed an answer or otherwise moved with respect to the complaint herein. The default of the defendant is hereby noted.

Dated: New York, New York
July 19, 2007

J. MICHAEL MCMAHON
Clerk of the Court

By: 
Deputy Clerk

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

TERWIN ADVISORS LLC,

Plaintiff,

-against-

INVESTAID CORPORATION,

Defendant.

Case No.: 07 Civ. 5706 (VM)

ECF Case

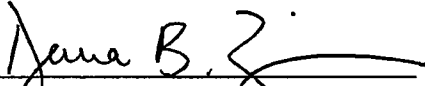
**AFFIDAVIT FOR
CERTIFICATE OF DEFAULT**

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

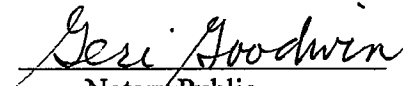
Dana B. Zimmerman, being duly sworn, deposes and says:

1. I am a member of the Bar of this Court and the firm of Miller & Wrubel P.C., attorneys for plaintiff in the above-entitled action and I am familiar with all the facts and circumstances in this action.
2. I make this affidavit pursuant to Rule 55.1 of the Local Civil Rules for the Southern District of New York, in support of plaintiff's application for a certificate of default.
3. This action was commenced on June 14, 2007 by the filing of the summons and complaint. A copy of the summons and complaint was served on defendant on June 19, 2007 by personal service on Robert Rubin, Owner of Investaid Corporation, and proof of such service thereof was filed on June 25, 2007. The defendant has not answered the complaint and the time for the defendant to answer the complaint has expired.

WHEREFORE, plaintiff requests the entry of Default against defendant.


Dana B. Zimmerman (DZ-3737)

Sworn to before me this
19th day of July 2007


Notary Public

GERI GOODWIN
Notary Public, State of New York
No. 01GO6038993
Qualified in Westchester County
Commission Expires March 20, 2010

Other Documents1:07-cv-05706-VM Terwin Advisors LLC v. Investaid Corporation**U.S. District Court****United States District Court for the Southern District of New York****Notice of Electronic Filing**

The following transaction was entered by Zimmerman, Dana on 7/19/2007 at 11:56 AM EDT and filed on 7/19/2007

Case Name: Terwin Advisors LLC v. Investaid Corporation

Case Number: 1:07-cv-5706

Filer: Terwin Advisors LLC

Document Number: 4

Docket Text:

REQUEST TO ENTER DEFAULT against Investaid Corporation. Document filed by Terwin Advisors LLC.
(Attachments: # (1) Affidavit for Certificate of Default)(Zimmerman, Dana)

1:07-cv-5706 Notice has been electronically mailed to:

Charles Richard Jacob , III cjacob@mw-law.com

1:07-cv-5706 Notice has been delivered by other means to:

The following document(s) are associated with this transaction:

Document description:Main Document

Original filename:n/a

Electronic document Stamp:

[STAMP dcecfStamp_ID=1008691343 [Date=7/19/2007] [FileNumber=3595295-0]
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Document description:Affidavit for Certificate of Default

Original filename:n/a

Electronic document Stamp:

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EXHIBIT D

MILLER & WRUBEL P. C.
ATTORNEYS
 250 PARK AVENUE
 NEW YORK, NEW YORK 10177-0699
 (212) 336-3500

FACSIMILE
 (212) 336-3555

Richard W. Chun, Esq.
 The Winter Group
 45 Rockefeller Plaza
 New York NY 10111

Page: 1
 06/13/2007
 Account No: 2553-1031
 Statement No: 20124

Investaid Corporation

Fees

		Rate	Hours	
05/24/2007				
LP	Revisions and calculations for repurchases spreadsheet; Create exhibit to complaint	155.00	0.30	46.50
DBZ	Draft federal complaint & other papers; conf HCK, CRJ	325.00	1.50	487.50
CRJ	Prepared complaint; client re same	525.00	0.70	367.50
05/25/2007				
CRJ	Review and revise complaint	525.00	1.20	630.00
05/29/2007				
DBZ	Revise complaint; conf CRJ re same	325.00	2.00	650.00
CRJ	Review and revise complaint, client re same	525.00	0.90	472.50
05/30/2007				
HCK	Revised Exhibit A; e-mail to client re outstanding items; revised complaint	325.00	0.40	130.00
SJ	New Matter set-up.	155.00	0.40	62.00
SJ	Updated client document file.	155.00	0.20	31.00
DBZ	E-mails to/from CRJ, HCK, client re new cases	325.00	1.00	325.00
CRJ	Review and revise complaint, client re same; prepare new repurchase request	525.00	1.50	787.50
05/31/2007				
HCK	Retrieved DB complaint, reviewed and compared loan demand spreadsheets and discussed w/CRJ; discussed Exhibit A and revisions to complaint w/DBZ	325.00	1.90	617.50
DBZ	Revise complaint	325.00	1.00	325.00

Richard W. Chun, Esq.

06/13/2007

Account No: 2553-1031

Statement No: 20124

Investaid Corporation

	Rate	Hours	
CRJ Review and revise complaint, client re same; prepare new repurchase requests	525.00	0.50	262.50
Discount - Preferred Client			-259.73
For Professional Services		13.50	4,934.77

Hours By Timekeeper

<u>Timekeeper</u>	<u>Hours</u>	<u>Rate</u>	<u>Total</u>
Jacob III, Charles R.	4.80	\$525.00	\$2,520.00
Zimmerman, Dana B.	5.50	325.00	1,787.50
Kang, Haynee C.	2.30	325.00	747.50
Piechocki, Lauren	0.30	155.00	46.50
Jimenez, Sandra	0.60	155.00	93.00

Expenses

05/24/2007	Filing Fees - Clerk of Court - SDNY	350.00
	For Expenses	350.00
	Balance Due	<u>\$5,284.77</u>

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 (212) 336-3555

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 The Winter Group
 45 Rockefeller Plaza
 New York NY 10111

Page: 1
 07/20/2007
 Account No: 2553-1031
 Statement No: 20194

Investaid Corporation

Fees

		Rate	Hours	
06/01/2007				
HCK	Reviewed Investaid Exhibit A and compared to demand letter spreadsheet; discussed demand letter w/CRJ; revised Exhibit A and Complaint	325.00	0.90	292.50
DBZ	E-mails to/from CRJ, HCK re new cases	325.00	1.00	325.00
06/05/2007				
HCK	Revised complaint and exhibit A	325.00	0.60	195.00
06/06/2007				
HCK	Reviewed demand letter and demand loan lists; re-reviewed e-mail correspondence w/client and discussed w/CRJ; discussed revised demand letter w/DBZ and CRJ	325.00	0.90	292.50
DBZ	Draft/mail Repurchase Request	325.00	1.00	325.00
06/13/2007				
CRJ	Attention to finalizing complaint, client re same	525.00	0.50	262.50
06/14/2007				
HCK	Finalized and filed complaint; coordinated filing w/paralegal	325.00	0.50	162.50
CRJ	Attention to filing of complaint	525.00	0.40	210.00
06/15/2007				
HCK	Attention to ECF filing of initiating documents; prepared documents for service of process	325.00	0.70	227.50
DBZ	E-mail from HCK re case opening	325.00	0.20	65.00

Richard W. Chun, Esq.

07/20/2007

Account No: 2553-1031

Statement No: 20194

Investaid Corporation

		Rate	Hours	
06/19/2007				
DBZ	E-mails to/from process server re complaint	325.00	0.50	162.50
06/21/2007				
LP	Update memoranda and correspondence files	155.00	0.30	46.50
06/25/2007				
HCK	Check on status of affidavit of service and response time	325.00	0.10	32.50
DBZ	ECF Affidavit of Service	325.00	1.00	325.00
06/26/2007				
DBZ	Prepare affidavit of service for filing	325.00	1.00	325.00
06/27/2007				
SJ	court trip	155.00	1.10	170.50
	Discount - Preferred Client			-170.98
	For Professional Services		10.70	3,248.52

Hours By Timekeeper

<u>Timekeeper</u>	<u>Hours</u>	<u>Rate</u>	<u>Total</u>
Jacob III, Charles R.	0.90	\$525.00	\$472.50
Zimmerman, Dana B.	4.70	325.00	1,527.50
Kang, Haynee C.	3.70	325.00	1,202.50
Piechocki, Lauren	0.30	155.00	46.50
Jimenez, Sandra	1.10	155.00	170.50

Expenses

06/30/2007	Duplicating		7.70
	For Expenses		7.70
	Balance Due		<u>\$3,256.22</u>

MILLER & WRUBEL P. C.
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Richard W. Chun, Esq.
 The Winter Group
 45 Rockefeller Plaza
 New York NY 10111

Page: 1
 08/09/2007
 Account No: 2553-1031
 Statement No: 20266

Investaid Corporation

Fees

		Rate	Hours	
07/02/2007				
SJ	updated client folder. scanned documents onto system and into docket sheet.	155.00	0.50	77.50
07/03/2007				
DBZ	Prepare for and attend conf call w/R. Chun re status	325.00	0.20	65.00
07/10/2007				
HCK	Summary to CRJ re status; checked PACER re status	325.00	0.20	65.00
07/17/2007				
JMS	Discuss default judgment procedures with D. Zimmerman	300.00	0.20	60.00
SJ	updated client folder.	155.00	0.30	46.50
LP	Enter court papers into docket sheet	155.00	0.20	31.00
DBZ	Review Marrero order; t/c Chambers re same; conf JMS re default judgment	325.00	1.00	325.00
CRJ	Review Judge Warners' order, client re same and default judgment	525.00	1.10	577.50
07/19/2007				
JMS	Discuss default judgment procedures with D. Zimmerman	300.00	0.10	30.00
LP	Court trip to SDNY to file Clerk's Certificate for default judgment	155.00	1.30	201.50
DBZ	Draft and file certificate of default	325.00	3.00	975.00

Richard W. Chun, Esq.

08/09/2007

Account No: 2553-1031

Statement No: 20266

Investaid Corporation

		Rate	Hours	
07/20/2007				
JMS	Discuss default judgment with H. Kang	300.00	0.10	30.00
HCK	Drafted letter to Judge Marrero; consulted judge's rules re default; discussed w/CRJ; fact research on Investaid for contact info.	325.00	1.10	357.50
DBZ	E-mails to/from HCK re default	325.00	0.80	260.00
07/23/2007				
DBZ	Draft default judgment papers; e-mail same to CRJ	325.00	3.00	975.00
07/25/2007				
SJ	updated client folder.	155.00	0.20	31.00
07/30/2007				
DBZ	Conf CRJ re default judgment; revise papers re default judgment based on realized losses	325.00	3.00	975.00
CRJ	Attention to default judgment, client re same	525.00	0.50	262.50
07/31/2007				
SJ	scanned court papers onto docket sheet and into system. organized documents into court papers	155.00	0.40	62.00
CRJ	Work on default judgment application, client re same	525.00	0.50	262.50
DBZ	Draft/revise default judgment papers	325.00	3.00	975.00
	Discount - Preferred Client			-664.45
	For Professional Services		20.70	5,980.05

Hours By Timekeeper

<u>Timekeeper</u>	<u>Hours</u>	<u>Rate</u>	<u>Total</u>
Jacob III, Charles R.	2.10	\$525.00	\$1,102.50
Zimmerman, Dana B.	14.00	325.00	4,550.00
Kang, Haynee C.	1.30	325.00	422.50
Sher, Jeremy M.	0.40	300.00	120.00
Piechocki, Lauren	1.50	155.00	232.50
Jimenez, Sandra	1.40	155.00	217.00

Balance Due

\$5,980.05



Demovsky Lawyer Service

401 Broadway, Suite 510
New York, NY 10013
Ph. 212-925-1220 Fax 212-941-0235
www.demovskylawyerservice.com

Invoice

Invoice Number:
260014

Invoice Date:
Jun 30, 2007

Page:
1

Duplicate

To: HAYNEE KANG
Miller & Wrubel PC
250 Park Avenue
NEW YORK, NY 10177-0699
USA

Fax - 212 - 336 - 3555

att: Dana

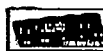
Account Number		Worksheet Number		Payment Terms	
1895		124538		Net 30 Days	
				Request Date	Due Date
				6/15/07	7/30/07
Quantity	Item	Description		Unit Price	Extension
1.00	SZN	TERWIN ADVISORS LLC V INVESTAID CORPORATION 07 CIV 5706 Process Service Outside N.Y. Metro Area INVESTAID CORPORATION (24315 NORTHWESTERN HIGHWAY, SUITE 100, SOUTHFIELD, MI)		225.00	225.00
1.00	MISC	RUSH FEE		75.00	75.00
2.00	CP	Courier/Postage		25.00	50.00
2.00	TEL	Telephone		1.50	3.00
1.00	PU	DELIVERY		15.00	15.00
1.00	MISC	Fuel Surcharge		2.00	2.00

Check No: 11612

Subtotal 370.00
Sales Tax 0.25
Total Invoice Amount 370.25
Payment Received 370.25
TOTAL 0.00



WE NOW ACCEPT
ONLINE PAYMENTS



www.dlsny.com

"DLS, INC." TAX ID NO. 13-3179699

EXHIBIT E

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

-----X

TERWIN ADVISORS LLC,

Plaintiff,

07 Civ. 5706 (VM)

- against -

STATEMENT OF DAMAGES

INVESTAID CORPORATION,

Defendant.

-----X

Principal amount sued for\$ 714,134.00

Interest at 9 % from July 20, 2007 through August 14, 2007 4,578.34

Attorneys' Fees, Costs and Disbursements:

Attorneys' Fees 14,171.04

Clerk's fee 350.00

Process Server fee for service 370.25

Total (as of August 14, 2007)\$ 733,603.63